CITY OF INDIANAPOLIS NEIGHBORHOOD STABILIZATION PROGRAM GRANT SUBMISSION TEMPLATE & CHECKLIST

NSP grant allocations can be requested by submitting a paper NSP Substantial Amendment or a form under the Disaster Recovery Grant Reporting (DRGR) system. This template sets forth the suggested format for grantees under the NSP Program. A complete submission contains the information requested below, including:

(1) The NSP Substantial Amendment (attached below)
(2) Signed and Dated Certifications (attached below)
(3) Signed and Dated SF-424.

Grantees should also attach a completed NSP Substantial Amendment Checklist to ensure completeness and efficiency of review (attached below).

City of Indianapolis NSP Substantial Amendment

Jurisdiction(s): City of Indianapolis Jurisdiction Web Address: http://www.indy.gov/eGov/City/DMD/Community/Pages/home.aspx	NSP Contact Person: Adam Thies, AICP, Director, Department of Metropolitan Development Address: 200 East Washington Street, Indianapolis, Indiana 46204 Telephone: 317-327-5355 Fax: 317-327-5908 Email: adam.thies@indy.gov

A. Areas of Greatest Need

The City of Indianapolis has identified areas of greatest need using data compiled by HUD and the Indianapolis Metropolitan Police Department. A geographic information system was used to overlay several measures over low-, moderate-, and middle-income target areas (see Map 1). Those measures included foreclosure risk, percentage of high cost loans, percent at or below 120 percent of AMI, vacancy rates, and density of foreclosures (see Map 2 – Map 6).

Generally, all measures indicated that areas of greatest need are in the middle section of the city -- extending from the western border to the eastern border (see Map 7). Much of the area is south of 56th street and north of Hanna Avenue. Portions of 10 neighborhoods are included in the highest concentration areas. Those neighborhoods include: 1) Northwest; 2) North; 3)Northeast; 4) Far East; 5) Near East; 6) Southeast; 7) Near South; 8) Far Southwest; 9) Southwest; 10) Near West; and 11) Far Northwest.

The following summarizes the data used in each map:

1. **Low Moderate and Middle Income Target Areas, 2007/2008 Foreclosures**: This map shows Census tracts that qualify as low-, moderate-, and middle-income benefit areas. More than 50 percent of the population in the area must have had incomes at or below 120 percent of area median income (Census 2000) to qualify as low-, moderate-, and middle-income benefit area.

2. **Foreclosure Risk**: This map shows "foreclosure risk" by Census tract. Foreclosure risk measure is a score-based measure calculated by HUD and provided in the Neighborhood Stabilization Program local level data. A score is assigned to each Census tract ranging from zero to 10. Zero indicates a lowest level foreclosure risk and 10 is the highest level of foreclosure risk.

3. **2004-2006 Percent High Cost Loans**: This map shows the percentage of high cost loans originated between 2004 and 2006. Data collected under the Federal Reserve Home Mortgage Disclosure Act (HMDA) include yield spreads. High cost is defined as loans with yields that are 3% greater than the yield on Treasury securities of comparable duration on first-lien loans and 5% greater than on subordinate liens.

4. **Percent at 120% and Below Area Median Income**: This map shows the percentage of people in each block group at or below 120 percent of Area Median Income (Census 2000);

5. **USPS Postal Vacancy Rate (90 days or more)**: This map shows the percentage of residential addresses that were reported as vacant for 90 days or more. These data are collected by the United States Postal Service.

6. **2007/2008 Foreclosure Density**: This map shows foreclosure density by Census block group. These data were obtained from the Indianapolis Metropolitan Police Department's Sheriff Sale database.

7. Highest Concentrations of Need: This map shows a general view of the areas of greatest need in Indianapolis. The shaded area is Census block groups (part) in which many of the measures consistently indicate higher levels of need and that qualify as areas of low-, moderate, and middle-income areas of benefit.

B. Distribution and Uses of Funds

The City of Indianapolis' Neighborhood Stabilization Program plan is the collaborative effort of City Staff and community stakeholders. Building on the input from the 2009 Action Plan public survey, which identified addressing vacant abandoned/foreclosed properties as a priority, the City will utilize NSP funds to stabilize those neighborhoods identified as having the greatest need (please see maps 1-7).

The City will engage a broader group of community stakeholders and leaders in an implementation planning phase of this neighborhood stabilization process to target specific areas within the areas of greatest need to make a significant impact with NSP funds as well as other private and public resources. The implementation planning will be completed by January 31, 2009 and specific data will be entered in the Disaster Recovery Grant Reporting System as required.

The City will assess each targeted area to determine needs and priorities. Possible tools to address needs and priorities may include, but is not limited to, housing development, demolition of blighted structures, economic development, owner occupied rehabilitation, infrastructure improvements and code enforcement. The Indianapolis strategy will leverage NSP funds with other resources to address the needs identified through the assessment process.

Indianapolis will utilize NSP funds to strategically acquire abandoned and/or foreclosed properties located within the targeted areas. The city will acquire housing units through a variety of mechanisms, which may include tax sale, sheriff sale, and bank/financial institution negotiations. The City will identify owners with multiple properties that have been through foreclosure and negotiate discounted acquisition costs.

NSP funds will also be used to demolish blighted residential and commercial/industrial structures. Areas with a concentration of foreclosure and abandonment often face challenges such as disinvestment and abandonment. It is imperative that all neighborhood factors that cause destabilization are addressed.

The next step to alleviate blight in the Indianapolis targeted neighborhoods will be redevelopment. Redevelopment will include home rehabilitation, new construction of houses, owner-occupied repair, creation of rental housing opportunities for very low-income households, creation of job opportunities, brownfields redevelopment, and creation of greenspace. In addition, Indianapolis will work to coordinate the efforts of all City Departments such as Parks, Public Works and Public Safety to develop a comprehensive approach to neighborhood stabilization.

The key to this program will be identifying and cultivating qualified home buyers. Each buyer will receive, at minimum, the required eight hours of homebuyer counseling. In addition, NSP funds will be used to provide direct buyer assistance. This type of assistance will be provided to homebuyers to ensure affordability. Forms of NSP buyer assistance may include:

- Soft second mortgage
- Downpayment assistance
- Interest rate buydown

The NSP program will be implemented as a cooperative effort between the City of Indianapolis, the Indianapolis Neighborhood Housing Partnership, Local Initiative Support Corporation, elected officials, local not-for-profits, developers as well as financing agencies and consumer housing counseling organizations. This collaboration will work to develop an implementation plan that will include a comprehensive strategic approach to neighborhood stabilization.

C. Definitions and Descriptions

(1) Definition of “blighted structure” in context of state or local law.

“Blight” is the state or result of deterioration, decay or owner negligence that impairs or destroys property and erodes the fabric of the surrounding neighborhood. Blight is caused by properties that constitute a risk to public health, safety or welfare including vacant and boarded structures, accumulated trash and debris, rodent infestation, high weeds and grass, graffiti, inoperable vehicles, or empty structures that remain accessible to vagrants and criminals which breed opportunities for fires and other property vandalism.

(2) Definition of "affordable rents."

Properties assisted with NSP shall be occupied by persons/households earning less than 120 percent of the area median family income. In addition, at least 25 percent of the NSP funds are to be used for the purchase and redevelopment of abandoned, foreclosed upon, or vacant housing units that will be used to house individuals or families whose incomes do not exceed 50 percent of the area median family income.

Using HUD's HOME Program Rents, calculate affordable rents as follows for households earning:

- between 81 to 120 percent of the area median family income rent shall not exceed 2 times the 50 percent Rent Limit;
- between 51 to 80 percent of the area median family income rent shall not exceed the 65 percent Rent Limit (as defined by HUD);
- 50 percent or less of the area median family income property owners shall use the Low HOME Rents.

In all cases, rents shall not exceed the market rent for the area for that type and quality of housing.

NSP affordable rents assume that utilities are included in the rent payment. If tenants are paying utilities separate from rent, the rent paid to the landlord plus a utility allowance (defined by local Section 8 policies) shall not exceed the maximum rents defined above.

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

The NSP will use a structure similar to the HOME program to ensure that the units remain affordable. A period of affordability shall begin upon occupancy. The table below outlines the NSP guidelines:

Average Per-Unit NSP Investment Amount	**Affordability Period (in years)**
Less than $15,000	5
$15,000-$40,000	10
Over $40,000	15
New Construction of rental housing (any amount)	20

<u>Enforcement Mechanisms for Affordability Compliance for Rental</u>

The City will ensure affordability compliance by requiring covenants that will run with the property. The covenants will require that the property be maintained as rental housing and all NSP-funded units shall remain affordable as shown in the preceding table from the date of completion. In instances where NSP funds are invested to meet the requirement that 25 percent of the NSP funds awarded to Indianapolis must be used for housing activities that benefit households whose incomes do not exceed 50 percent of the area median family income, the covenants will state that the property must be maintained as rental housing and all NSP-funded units shall remain affordable to households earning less than 50 percent of the area median family income for the required period from the date of completion.

During the period of affordability, all owners of NSP-assisted rental units are required to certify tenant income upon initial lease-up. Tenant income certification must be documented in writing from the actual source of the income; in accordance with HUD's booklet on certifying tenant incomes using the Section 8 (or Part 5) methodology.

If a tenant's income increases over time, the tenant may remain in the unit; however, the rent amount must be adjusted to meet the affordable rent definition on page 5. Tenants must be given a minimum 30-day written notice prior to rent adjustment and must comply with lease documents and state and local laws.

<u>Enforcement Mechanisms for Affordability Compliance for Homeownership</u>

<u>Ensuring Continued Affordability</u>
The type of subsidy invested in the property will determine which of the following provisions are to be followed. When a buyer subsidy is provided in the amount of $1,001 or more, alone or in conjunction with a development subsidy, the Recapture Provision is to be followed. When a development subsidy only is provided, such as rehabilitation or construction financing, the Resale Provision is to be followed.

Recapture Provisions for NSP Activities

1. This provision authorizes the City of Indianapolis to recapture the entire NSP buyer subsidy during the period of affordability.

2. The buyer subsidy is needed when a gap exists between what the buyer can afford and the value of the home, plus closing costs. The buyer subsidy will be accounted for when the value of the home is reduced to make it affordable (Fair Market Value Reduction), closing costs are paid, down payment assistance is provided, or a credit is provided to the buyer from the amount due to the seller at closing.

3. Project sponsors will be required to initiate a mortgage and promissory note in the amount of the NSP buyer subsidy with the City of Indianapolis, Department of

Metropolitan Development as the mortgagor and the homebuyer as the mortgagee.

4. The loan will be a zero percent interest Deferred Payment Loan and will be subordinate to a first mortgage. Loan documents will state that the loan amount is due and payable from available net sale proceeds when the homeowner is no longer the principal resident of the house. Loan documents will specify that if ownership is transferred due to sale of the property, payment shall be made to the City from available net sale proceeds during the period of affordability. If the original buyer is in non-compliance at any time during the period of affordability, the full loan amount will be immediately due and payable to the City of Indianapolis.

5. The purchaser must occupy the property as their primary residence during the period of affordability.

6. The homeowner may sell the property to any willing buyer as long as the recapture requirement is met.

The Resale Provision

1. This provision ensures that a NSP-assisted property remains affordable during the entire period of affordability. The length of the period of affordability is determined by the amount of NSP funds provided as development subsidy only in accordance with the table above.

2. The affordability period is terminated should any of the following events occur: foreclosure, transfer in lieu of foreclosure or assignment of a Federal Housing Agency insured mortgage to HUD. The original housing developer may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure to preserve affordability.

3. Project partners will be required to initiate a Declaration of Covenants to enforce the terms of the resale provision. In addition, the project partner will initiate a mortgage and promissory note to ensure that the entire amount of NSP funds invested will be repaid in the event of non-compliance or foreclosure. The note and mortgage shall have the City of Indianapolis, Department of Metropolitan Development as the mortgagor and the homebuyer as the mortgagee.

4. During the period of affordability, the property must be leased or sold income-qualified buyers/tenants.

5. For homeownership, the purchaser must occupy the property as their primary residence.

6. The homeowner is guaranteed a fair return on their investment as described in the promissory note.

    A fair return on borrower’s original investment shall be the sum of the Appreciation in Value during Borrowers ownership[1], borrower’s original down payment, the amount of the payments made on the principal of the loan by the Borrower and 80% of the value of the documented (receipts) capital improvements made by the Borrower to the property

    [1] **Calculation of the appreciation in value during the borrower’s ownership:** Property has appreciated during the borrowers ownership shall be determined by calculating the future value of the cash flows by multiplying the original purchase price of the property by an interest rate calculated by MIBOR and by the number of years the property has been owned by the borrower to determine the appreciation in value during ownership.

A homeowner may sell the property after the period of affordability, without any restrictions or regulations.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

All properties receiving NSP assistance shall meet the Indiana Residential Code and the Indianapolis HOME rehab standards prior to sale or lease.

D. LOW INCOME TARGETING

Indianapolis will collaborate with the Indianapolis Housing Trust Fund, the Indianapolis Coalition for Homelessness Intervention and Prevention, the Indianapolis Housing Agency, non-profit housing developers and for-profit housing developers to allocate $7,262,765 to housing development projects that will house individuals and families whose incomes do not exceed 50 percent of the area median family income.

E. *ACQUISITIONS & RELOCATION*

a. Indianapolis will utilize NSP funds to strategically acquire abandoned and/or foreclosed properties located within the targeted areas. In addition, NSP funds will also be used to demolish blighted residential and commercial/industrial structures. Areas with a concentration of foreclosure and abandonment often face challenges such as disinvestment and abandonment. It is imperative that all neighborhood factors that cause destabilization are addressed. All demolition will be done in accordance with Federal, State and Local regulations. Below are the benchmarks to be achieved:

- 57 blighted structures will be demolished

b. Indianapolis will utilize NSP funds to strategically acquire vacant abandoned and/or foreclosed properties located within the targeted areas. In addition, NSP funds will assist with the rehabilitation and new construction of homes to be sold to eligible homebuyers. Below are the benchmarks to be achieved:

- 25 units will be acquired, rehabilitated and sold to households earning 51-80 percent of the area median family income.
- 25 units will be acquired, rehabilitated and sold to households earning 81-120 percent of the area median family income.
- 2 units will be acquired and demolished. Two new units will be constructed and sold to households earning less than 50 percent of the area median family income.
- 2 units will be acquired and demolished. Two new units will be constructed and sold to households earning 51-80 percent of the area median family income.
- 2 units will be acquired and demolished. Two new units will be constructed and sold to households earning 81-120 percent of the area median family income.

ACTIVITY	START DATE	END DATE
Acquisition/Landbank	February 1, 2009	March 24, 2019
Acquisition/Rehab for homeownership	April 1, 2009	March 24, 2013
New Construction for homeownership	June 1, 2009	March 24, 2013
Demolition	February 28, 2009	March 24, 2013
Rental Development	April 1, 2009	April 1, 2013
Financing Mechanisms	February 1, 2009	March 24, 2013

c. Twenty-Five percent, or $7,262,765, will be used for housing activities that benefit individuals whose incomes do not exceed 50 percent of the are median income. Below are the benchmarks to be achieved:

- A minimum of 70 rental units for individuals/families earning less than 50 percent of the area median family income will be created or rehabilitated.
- 2 units will be acquired and demolished. Two new units will be constructed and sold to households earning less than 50 percent of the area median family income.

F. PUBLIC COMMENT

Provide a summary of public comments received to the proposed NSP Substantial Amendment.

Response:

The City of Indianapolis will provide the required 15 calendar days of public comment via the publication of our Substantial Amendment on our website (http://www.indy.gov/eGov/City/DMD/Community/Pages/home.aspx) on or before March 14th.

Citizen Comments to the NSP Substantial Amendment for the City of Indianapolis

This page intentionally left blank until after 15 day comment period.

G. *NSP INFORMATION BY ACTIVITY (COMPLETE FOR EACH ACTIVITY)*

ACTIVITY 1 (see attached spreadsheet: pg 21-23)

(1) Activity Name: Acquisition/Land Bank

(2) Activity Type: NSP-eligible uses: (C) Establish land banks for homes that have been foreclosed upon

CDBG-eligible activity: 24 CFR570.201 (a)- Acquisition and
24 CFR 570.201 (b)-Disposition

(3) National Objective: Funds will be used to benefit individuals at or below 120% of Area Median Income

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: March 24, 2019

(6) Responsible Organization: City of Indianapolis; Department of Metropolitan Development; Jennifer Fults, Administrator; 317-327-5899; 200 East Washington Street, Indianapolis, IN 46204; jennifer.fults@indy.gov

(7) Location Description: See attached map, Areas of Greatest Need

(8) Activity Description: Indianapolis will utilize NSP funds to strategically acquire foreclosed properties located within the targeted areas. The city will acquire housing units through a variety of mechanisms, which may include tax sale, sheriff sale, bank/financial institution negotiations. NSP funds will also be used to maintain land bank properties which may include mowing, boarding, and trash removal.

The City of Indianapolis and the State of Indiana will work collaboratively to negotiate discounted sales prices with banks and financial institutions. It is anticipated that properties purchased in bulk will be discounted by more than 15 percent. It is anticipated that properties purchased individually will be discounted by 5 percent.

(9) Total Budget: $19,069,294 ($8,513,294 of NSP, $556,000 of local city funds, $10,000,000 from other public and private sources)

(10) Performance Measures: 189 foreclosed properties will be acquired and maintained through the Indy Land Bank.

ACTIVITY 2 (see attached spreadsheet: pg 21-23)

(1) Activity Name: Acquisition/Rehabilitation

(2) Activity Type: NSP-eligible uses: (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG-eligible activity: 24 CFR570.202- Eligible rehabilitation and preservation activities for homes and other residential properties.

(3) National Objective: Funds will be used to benefit individuals at or below 120% of Area Median Income

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: March 24, 2013

(6) Responsible Organization: City of Indianapolis; Department of Metropolitan Development; Jennifer Fults, Administrator; 317-327-5899; 200 East Washington Street, Indianapolis, IN 46204; jennifer.fults@indy.gov

(7) Location Description: See attached map, Areas of Greatest Need

(8) Activity Description: Indianapolis will utilize NSP funds to strategically acquire abandoned and/or foreclosed properties located within the targeted areas. In addition NSP funds will be used to rehabilitate these structures for sale to households earning less than 120 percent of the median family income. All homes rehabilitated with NSP funds will meet the Indiana State Code and the HOME Rehabilitation Standards.

The NSP will use a structure similar to the HOME program to ensure that the units remain affordable. A period of affordability will be established based off the amount of the NSP funds in the unit. For properties with less than $15,000 of NSP funds, the affordability period will be 5 years; $15,000-$40,000 of NSP fund, the affordability period will be 10 years; and more than $40,000 of NSP funds, the affordability period will be 15 years.

The City will ensure affordability compliance by requiring covenants that will run with the property. The covenants will require that the purchaser occupy the property as their primary residence and if the purchaser chooses to sell the property during the period of affordability, they shall resell the property to a household earning less than 120 percent of the area median family income. In addition, the covenants will require the purchaser to repay all NSP funds invested in their unit in the event of failure to comply with covenants (ie. Purchaser moves out and is no longer the principal resident or purchaser sells unit to new buyer whose income exceeds 120 percent of the area median family income.

(9) Total Budget: $5,000,000

(10) Performance Measures

- 25 units will be acquired, rehabilitated and sold to households earning 51-80 percent of the area median family income.
- 25 units will be acquired, rehabilitated and sold to households earning 81-120 percent of the area median family income.

ACTIVITY 3 (see attached spreadsheet: pg 21-23)

(1) Activity Name: New Construction for Homeownership

(2) Activity Type: NSP-eligible uses: (E) Redevelop demolished or vacant properties
CDBG-eligible activity: 24 CFR570.204- Activities by Community Based Development Organization

(3) National Objective: Funds will be used to benefit individuals at or below 120% of Area Median Income

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: March 24, 2013

(6) Responsible Organization: City of Indianapolis; Department of Metropolitan Development; Jennifer Fults, Administrator; 317-327-5899; 200 East Washington Street, Indianapolis, IN 46204; jennifer.fults@indy.gov

(7) Location Description: See attached map, Areas of Greatest Need

(8) Activity Description: Indianapolis will utilize NSP funds to strategically acquire abandoned and/or foreclosed properties located within the targeted areas. Where demolition is required, NSP funds will be used to construct new homes to be sold to households earning less than 120 percent of the area median family income.

The NSP will use a structure similar to the HOME program to ensure that the units remain affordable. A period of affordability will be established based off the amount of the NSP funds in the unit. For properties with less than $15,000 of NSP funds, the affordability period will be 5 years; $15,000-$40,000 of NSP fund, the affordability period will be 10 years; and more than $40,000 of NSP funds, the affordability period will be 15 years.

The City will ensure affordability compliance by requiring covenants that will run with the property. The covenants shall require that the purchaser occupy the property as their primary residence and if the purchaser chooses to sell the property during the period of affordability, they shall resell the property to a household earning less than 120 percent of the area median family income. In addition, the covenants shall require the purchaser to repay all NSP funds invested in their unit in the event of failure to comply with covenants (ie. Purchaser moves out and is no longer the principal resident or purchaser sells unit to new buyer whose income exceeds 120 percent of the area median family income.

(9) Total Budget: $750,000

(10) Performance Measures:

- 2 units will be acquired and demolished. Two new units will be constructed and sold to households earning less than 50 percent of the area median family income.
- 2 units will be acquired and demolished. Two new units will be constructed and sold to households earning 51-80 percent of the area median family income.
- 2 units will be acquired and demolished. Two new units will be constructed and sold to households earning 81-120 percent of the area median family income.

ACTIVITY 4 (see attached spreadsheet: pg 21-23)

(1) Activity Name: Demolition

(2) Activity Type: NSP-eligible uses: Demolition of Blighted Structures
CDBG-eligible activity: 24 CFR570.201(d) Clearance for blighted structures only.

(3) National Objective: Funds will be used to benefit individuals at or below 120% of Area Median Income

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: March 24, 2013

(6) Responsible Organization: City of Indianapolis; Department of Metropolitan Development; Jennifer Fults, Administrator; 317-327-5899; 200 East Washington Street, Indianapolis, IN 46204; jennifer.fults@indy.gov

(7) Location Description: See attached map, Areas of Greatest Need

(8) Activity Description: Indianapolis will utilize NSP funds to strategically acquire abandoned and/or foreclosed properties located within the targeted areas. In addition, NSP funds will also be used to demolish blighted residential and commercial/industrial structures. Areas with a concentration of foreclosure and abandonment often face challenges such as disinvestment and abandonment. It is imperative that all neighborhood factors that cause destabilization are addressed. All demolition will be done in accordance with federal, state and local regulations.

(9) Total Budget: $800,000 ($300,000 of NSP, $400,000 of CDBG, $100,000 of local Unsafe Building fund)

(10)Performance Measures:

- 2 brownfield sites will be demolished
- 55 blighted residential units will be demolished

ACTIVITY 5 (see attached spreadsheet: pg 21-23)

1) Activity Name: Rental Development/Lease to Purchase

(2) Activity Type: NSP-eligible uses: (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG-eligible activity: 24 CFR570.202- Eligible rehabilitation and preservation activities for homes and other residential properties.

(3) National Objective: Funds will be used to benefit individuals at or below 50% of Area Median Income

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: March 24, 2013

(6) Responsible Organization: City of Indianapolis; Department of Metropolitan Development; Jennifer Fults, Administrator; 317-327-5899; 200 East Washington Street, Indianapolis, IN 46204; jennifer.fults@indy.gov

(7) Location Description: See attached map, Areas of Greatest Need

(8) Activity Description: NSP funds will be used to substantially rehabilitate structures for rental housing to the extent necessary to comply with all applicable laws, codes and other requirements relating to housing safety, quality and habitability. Indianapolis will collaborate with the Indianapolis Housing Trust Fund, the Indianapolis Coalition for Homelessness Intervention and Prevention, the Indianapolis Housing Agency and other non-profit housing developers to allocate $7,262,765 to housing development projects that will house individuals and families whose incomes do not exceed 50 percent of the area median family income.

The City will ensure affordability compliance by requiring covenants that will run with the property. The covenants shall require that the property be maintained as rental housing and all NSP-funded units shall remain affordable. In instances where NSP funds are invested to meet the requirement that 25 percent of the NSP funds awarded to Indianapolis must be used for housing activities that benefit households whose incomes do not exceed 50 percent of the area median family income, the covenants shall state that the property must be maintained as rental housing and all NSP-funded units shall remain affordable to households earning less than 50 percent of the area median family income during the period of affordability.

All owners of NSP-assisted rental units are required to certify tenants income at initial occupancy. Tenant income recertification must be documented in writing from the actual source of the income.

(9) Total Budget: $7,262,765 (25% of award)

(10)Performance Measures:

- A minimum of 70 rental/lease-purchase units for individuals/families earning less than 50 percent of the area median family income will be created or rehabilitated.

ACTIVITY 6 (see attached spreadsheet: pg 21-23)

(1) Activity Name: Financing Mechanisms

(2) Activity Type: NSP-eligible uses: (A)- Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers.
CDBG-eligible activity: 24 CFR570.201 (n)- Direct homeownership assistance

(3) National Objective: Funds will be used to benefit individuals at or below 120% of Area Median Income

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: March 24, 2013

(6) Responsible Organization: City of Indianapolis; Department of Metropolitan Development; Jennifer Fults, Administrator; 317-327-5899; 200 East Washington Street, Indianapolis, IN 46204; jennifer.fults@indy.gov

(7) Location Description: See attached map, Areas of Greatest Need

(8) Activity Description: The key to this program will be identifying and cultivating qualified home buyers. Each buyer will receive, at minimum, the required eight hours of homebuyer counseling. In addition, the City will encourage buyers to apply for direct assistance through the State's NSP financing program. This type of assistance will be provided to homebuyers to ensure affordability. Forms of NSP buyer assistance may include:

- Soft second mortgage
- Downpayment assistance

- Interest rate buydown
- Closing costs
- Prepayments

In addition, NSP funds will be used to finance loans for households earning 51-120 percent of the median family income. This loan pool will allow buyers to finance acquisition and rehabilitation costs into one mortgage. Interest rates for these loans will vary based on the market.

The NSP will use a structure similar to the HOME program to ensure that the units remain affordable. A period of affordability will be established based off the amount of the NSP funds in the unit. For properties with $15,000 of NSP funds, the affordability period will be 5 years, $15,000-$40,000, the affordability period will be 10 years, over $40,000, the affordability period will be 15 years.

The City will ensure affordability compliance by requiring covenants that will run with the property. The covenants shall require that the purchaser occupy the property as their primary residence and if the purchaser chooses to sell the property during the period of affordability, they shall resell the property to a household earning less than 120 percent of the area median family income. In addition, the covenants shall require the purchaser to repay all NSP funds invested in their unit in the event of failure to comply with covenants (ie. Purchaser moves out and is no longer the principal resident or purchaser sells unit to new buyer whose income exceeds 120 percent of the area median family income).

(9) Total Budget: $4,320,000

(10). Performance Measures:

- 18 households earning 51-80 percent of the area median income will receive loans to purchase and rehabilitate foreclosed houses.
- 18 households earning 81-120 percent of the area median income will receive loans to purchase and rehabilitate foreclosed houses.

ACTIVITY 7 (see attached spreadsheet: pg 21-23)

(1) Activity Name: Administration

(2) Activity Type: NSP-eligible uses: Administration
CDBG-eligible activity: 24 CFR570.206(a) General Program Administrative Costs.

(3) National Objective: N/A

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: March 24, 2013

(6) Responsible Organization: City of Indianapolis; Department of Metropolitan Development; Jennifer Fults, Administrator; 317-327-5899; 200 East Washington Street, Indianapolis, IN 46204; jennifer.fults@indy.gov

(7) Location Description: N/A

(8) Activity Description: Indianapolis will utilize NSP funds to pay for the general program costs associated with oversight and implementation of the NSP.

(9) Total Budget: $2,905,000

(10) Performance Measures: N/A

ACTIVITY 8 (new activity/see attached spreadsheet: pg 21-23)

(1) Activity Name: New Construction for Homeownership

(2) Activity Type: NSP-eligible uses: (E) Redevelop demolished or vacant properties
CDBG-eligible activity: 24 CFR570.204- Activities by Community Based Development Organization

(3) National Objective: Funds will be used to benefit individuals at or below 50% of Area Median Income

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: March 24, 2013

(6) Responsible Organization: City of Indianapolis; Department of Metropolitan Development; Jennifer Fults, Administrator; 317-327-5899; 200 East Washington Street, Indianapolis, IN 46204; jennifer.fults@indy.gov

(7) Location Description: See attached map, Areas of Greatest Need

(8) Activity Description: Indianapolis will utilize NSP funds to strategically acquire abandoned and/or foreclosed properties located within the targeted areas. Where demolition is required, NSP funds will be used to construct new homes to be sold to households earning less than 50 percent of the area median family income.

The NSP will use a structure similar to the HOME program to ensure that the units remain affordable. A period of affordability will be established based off the amount of the NSP funds in the unit. For properties with less than $15,000 of NSP funds, the affordability period will be 5 years; $15,000-$40,000 of NSP fund, the affordability period will be 10 years; and more than $40,000 of NSP funds, the affordability period will be 15 years.

The City will ensure affordability compliance by requiring covenants that will run with the property. The covenants shall require that the purchaser occupy the property as their primary residence and if the purchaser chooses to sell the property during the period of affordability, they shall resell the property to a household earning less than 50 percent of the area median family income. In addition, the covenants shall require the purchaser to repay all NSP funds invested in their unit in the event of failure to comply with covenants (ie. Purchaser moves out and is no longer the principal resident or purchaser sells unit to new buyer whose income exceeds 50 percent of the area median family income).

(9) Total Budget: $1,369,247.99

(10) Performance Measures:

- 22 new units will be constructed homeownership or rental units for households earning less than 50 percent of the area median family income.

ACTIVITY 9 (new activity/ see attached spreadsheet: pg 21-23)

(1) Activity Name: Public Use

(2) Activity Type: NSP-eligible uses: (E) Redevelop demolished or vacant properties
CDBG-eligible activity: 24 CFR570.204- Activities by Community Based Development Organization

(3) National Objective: Funds will be used to benefit the community by adding pocket parks, urban gardens/farms and community center.

(4) Projected Start Date: January 1, 2009

(5) Projected End Date: March 24, 2013

(6) Responsible Organization: City of Indianapolis; Department of Metropolitan Development; Jennifer Fults, Administrator; 317-327-5899; 200 East Washington Street, Indianapolis, IN 46204; jennifer.fults@indy.gov

(7) Location Description: See attached map, Areas of Greatest Need

(8) Activity Description: Indianapolis will utilize NSP funds to strategically acquire abandoned and/or foreclosed properties located within the targeted areas. Where demolition is required, NSP funds will be used to construct community serving pocket parks, urban gardens/farms and/or community centers.

(9) Total Budget: $1,174,930.85

(10) Performance Measures:

- 12 pocket parks/urban gardens for community serving purposes.

# Units	Amount of Funds	DRGR#

# Units	Amount of Funds	DRGR#
N/A	$ 100,000.00	ADMIN-IAD
14	$ 115,098.36	C – IAD-ACQ
3	$ 324,187.70	D-IAD
N/A	$ 50,000.00	E-IAD-GREEN
13	$ 1,329,299.95	E-IAD-O
8	$ 842,213.94	B-IAD-O
25	$ 2,546,400.00	B-IAD-LH25-R
2	$ 152,500.00	E-IAD-R
48	**$ 5,459,699.95**	

# Units	Amount of Funds	DRGR#
2	$151,600.00	E - ENGL- O
22	$1,938,750.00	E-ENGL-R
10	$881,250.00	E - ENGL - LH25 - R
N/A	$9,000.00	E - ENGL - GREEN
1	$50,000.00	E - ENGL - LH25 - O
1	$125,000.00	B - ENGL - O
5	$467,800.00	B-ENGL -LH25 - R
41	**$3,623,400.00**	

# Units	Amount of Funds	DRGR#
N/A	$144,800.00	ADMIN - MFC
3	$260,000.00	B - MFC - O
14	$1,658,991.91	E - MFC - REDEV - O
5	$217,445.36	E - MFC - NEW - O
2	$135,000.00	B - MFC - R
9	$534,939.94	E - MFC - REDEV - R
N/A	$359,431.38	E - MFC - GREEN
8	$69,502.51	C - MFC - ACQ
33	**$3,380,111.10**	

# Units	Amount of Funds	DRGR#
N/A	$65,567.58	ADMIN-SEND
N/A	$208,463.00	E - SEND – COMMUNITY
4	$361,732.01	E - SEND - NEW - O
8	$268,520.99	E - SEND - NEW - LH25 - O
3	$169,477.00	E - SEND - LH25 - O
2	$181,462.00	B - SEND - LH25 - O
1	$90,000.00	B - SEND - O
5	$518,870.00	E - SEND - O
8	$648,185.00	E - SEND - R
3	$515,274.42	E - SEND - NEW - R
34	**$3,027,552.00**	

# Units	Amount of Funds	DRGR #
N/A	$57,113.00	ADMIN - CONC
N/A	$98,960.00	E - CONC - GREEN
1	$48,655.29	B - CONC - O
N/A	$283,081.18	E - CONC - COMMER
N/A	$165,995.29	E - CONC - COMMUNITY
17	$624,453.16	E - CONC - NEW - R
18	**$1,278,257.92**	

# Units	Amount of Funds	DRGR #
69	**$189,750.00**	

# Units	Amount of Funds	DRGR #
9	$1,262,085.00	E-KSC-NEW-R
41	$1,921,889.00	B-KSC-LH25-R
0	$0.00	B-KSC-LH25-R-522
0	$0.00	B-KSC-LH25-R-550
50	**$3,183,974.00**	

# Units	Amount of Funds	DRGR #
22	**$ 1,294,455.84**	B-TWG-LH25-R

# Units	Amount of Funds	DRGR #
248	**$ 1,000,000.00**	E-SCP-NEW

# Units	Amount of Funds	DRGR #
0	**$ 1,900,000.00**	B-SCP-LH25-R

# Units	Amount of Funds	DRGR #
N/A	**$100,000.00**	ADMIN - DCI

# Units	Amount of Funds	DRGR #
N/A	$ 2,383,305.19	ADMIN-INDY
298	$ 1,256,103.00	D-INDY
620	$ 974,450.00	C-INDY-ACQ
	$ 4,613,858.19	

Total by Activity

Activity	Eligible Use	Total # Units	Amount of Funds
Activity 1	C: Acquisition/Land Bank	642	$ 1,159,050.87
Activity 2	B: Acquisition/Rehabilitation	16	$ 1,500,869.23
Activity 3	E: New Construction for Homeownership	361	$ 10,914,126.75
Activity 4	D: Demolition	301	$ 1,580,290.70
Activity 5	B: Rental Development/Lease Purchase (50% below)	95	$ 8,312,006.84
Activity 6	A: Financing Mechanisms (INHP)	69	$ 189,750.00
Activity 7	Administration	N/A	$ 2,850,785.77
Activity 8 New Activity	E: New Construction for Homeownership (50% Below)	22	$ 1,369,247.99
Activity 9 New Activity	E: Public Use	N/A	$ 1,174,930.85
	Total		**$ 29,051,059.00**